



# INDIANA DEPARTMENT OF TRANSPORTATION

## News Release

### **Governor Pence Proposal Adds \$1 Billion in Road Funding Over Four Years**

Governor Mike Pence Oct. 13 unveiled his 21<sup>st</sup> Century Crossroads proposal, a plan that will make \$1 billion in new road funding available over the next four years without raising taxes. 21<sup>st</sup> Century Crossroads would put INDOT on a path to resurface 16,000 miles of state highways and repair more than 5,200 bridges over the next 15 years.

“These additional funds will help INDOT make future maintenance and repairs as the interstate system comes of age, and will help ensure that our roads can support the economic and employment growth our state has seen over the last few years. Just as Hoosiers seek to build a financial reputation that allows them to build a future, our state has put in the hard work to guarantee that Indiana’s future is bright as we enter our third century.”

The Governor’s 21<sup>st</sup> Century Crossroads plan would continue to build upon improvements in statewide pavement and bridge condition, and would build upon the already \$3.2 billion INDOT was planning to spend over the next five years on road and bridge preservation. Since Governor Pence took office in 2013, state bridges rated as fair or better have increased from 93 percent to 95.3 percent, bringing it above last year’s national average of 94 percent. Under the Governor’s proposal, this would improve further to 97 percent in 10 years. Between 2012 and 2014, state-maintained pavement has improved from 89.3 percent in fair or better condition to 90.3 percent. With 21<sup>st</sup> Century Crossroads, this would improve further to 94 percent in 10 years.

Because of the state’s economic health and prudent fiscal management, Governor Pence’s 21<sup>st</sup> Century Crossroads proposal relies upon a responsible and measured combination of the following funding sources:

- **Reserves:** The state is projected to have more than \$2 billion in reserves beginning in July 2016. Approximately \$241 million may be invested in roads and bridges while maintaining 11.5 percent of the state’s annual budget in reserves.
- **Budget Appropriations:** During upcoming budget sessions of the legislature, Governor Pence would propose an additional \$150 million during fiscal years 2018, 2019 and 2020, for a total of \$450 million.
- **Next Generation Trust Fund:** The 2006 Major Moves program invested \$500 million in a trust fund. An accelerated distribution of interest in 2019 would contribute an additional \$50 million.
- **Bond Financing:** Indiana’s AAA credit rating and extraordinarily low interest rates will provide an additional source of \$240 million.
- **Refinance existing bonds:** At current interest rates, refinancing existing bonds will contribute \$6.5 million in annual savings through 2029.

Every year since 2013, Governor Pence and the Indiana General Assembly have increased funding for transportation. In total, \$1.26 billion from the state general fund, including \$200 million for local roads and bridges, has been budgeted since 2013. During the 2013 legislative session, highway account diversions were ended and 1 percent of all sales tax revenues were dedicated to transportation. During 2014, the Major Moves 2020 program funded highway widening and rehabilitation projects, including I-65 near Lafayette. The current two-year state budget includes an additional \$200 million for state highways.

A heightened focus on maintaining existing transportation assets represents the best use of taxpayer dollars. National research has shown that every \$1 invested in preventive maintenance can save \$6 to \$14 in future, more disruptive pavement repairs. Pavement maintenance activities include resurfacing, crack sealing, chip sealing, pothole repair and storm water drainage improvements. Bridge maintenance activities include cleaning, steel beam painting, deck overlays, rehabilitation and structural repairs. Maintenance and repair projects keep roads and bridges in good condition for as long as possible, resulting in a smoother ride, better appearance, greater value and improved safety.

